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Characteristics of Occupants and Units of Mortgaged Rural Homes

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**United States
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ABSTRACT

Approximately 60 percent of all rural homeowners had a mortgage on their home in 1979. About 80 percent of these were financed by conventional lenders; the remaining 20 percent were financed with some kind of Federal assistance. Most mortgaged rural homes were single-family detached units purchased by white males in their mid- to late thirties. The average home had three bedrooms and at least one full bathroom. Approximately 10 percent of rural homeowners reported their unit had some kind of defect. Most rural homeowners spent 20 percent of their income for housing related expenses such as mortgage payments, real estate taxes, property insurance, utilities, and trash collection. Median incomes and property values varied widely by mortgage type. Respondents were generally satisfied with their housing, neighborhood, and community services.

Keywords: Farmers Home Administration, Veterans Administration, Federal Housing Administration, home mortgages, housing, credit financing, rural housing.

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INTRODUCTION

An important goal of Federal housing policy as stated in the National Housing Act of 1949 is to provide a safe and decent home for every American family. Many programs have been established to achieve this goal, mainly through reallocation of credit. Homeownership has been encouraged not only by our system of taxes but also by the establishment of governmental agencies whose function is to guarantee and insure mortgages.

The three major Federal agencies involved in guaranteeing and insuring mortgages are the Farmers Home Administration (FmHA), the Federal Housing Administration (FHA), and the Veterans Administration (VA). Aggregate information from each agency is available on borrower and housing characteristics; however, information by rural-urban location is difficult to obtain. This paucity of information presents a problem for policymakers and program planners who must evaluate present housing programs and plan new ones for rural areas.

The objective of this study is twofold: first, to determine and compare borrower and housing characteristics of rural homes purchased through conventional and government-sponsored mortgage programs; and second, to ascertain how satisfied these borrowers are with their housing, neighborhood, and community facilities.

Data presented in this study are based on the 1979 Annual Housing Survey conducted in September through December by the Bureau of the Census for the Department of Housing and Urban Development. Approximately 79,000 sample housing units were included in the survey. Data are restricted to first mortgages placed on the principal residence of single-family, owner-occupied units in rural areas regardless of when the respondents moved into their current unit. Farm housing, homes built on sites of more than 10 acres, co-ops, and condominiums are excluded. 1/

1/ The Annual Housing Survey defines urban and rural residence as follows: urban housing comprises all housing units in urbanized areas and in places of 2,500 inhabitants or more outside urbanized areas. More specifically, urban housing consists of all housing units in (1) places of 2,500 inhabitants or more incorporated as cities, villages, boroughs (except Alaska), and towns (except in the New England States, New York, and Wisconsin), but excluding those housing units in the rural portions of extended cities; (2) unincorporated places of 2,500 inhabitants or more; and (3) other territory, incorporated or unincorporated, included in urbanized areas. Housing units not classified as urban constitute rural housing.

CHARACTERISTICS OF UNITS

Sixty percent of all rural homeowners had a mortgage on their home in 1979. Approximately 80 percent of those mortgages were conventional, 7 percent were insured by FHA, 7 percent were guaranteed by VA, and 6 percent were insured by FmHA.

Type and Age of Structure

In 1979, 86 percent of homes with a mortgage were single-family detached units. Of the remaining units, 13 percent were mobile homes and 1 percent were single attached units (row houses). The majority of government and conventional loans were for the purchase of single detached units. Over 90 percent of government-insured loans were used to purchase this type of home. The percentage was slightly smaller for conventional loans: 84 percent (table 1).

Mobile homes have gained in popularity in recent years due to improved quality and the rapid increase in housing prices. The majority of mobile homes (94 percent) were financed with conventional loans. Only in recent years have Federal housing programs been active in mobile home financing. Thus, the proportion of mobile homes insured by government programs is quite low, approximately 6 percent, which is broken down as follows: FHA (3.9 percent), VA (1.3 percent), and FmHA (0.6 percent).

FmHA borrowers occupied the newest housing (table 2). The median age of FmHA homes was 14 years, about 4 years less than the conventional group which occupied the oldest housing.

House Value

Housing value, as reported in the Annual Housing Survey, is based on the owner's estimate of how much the house and lot would have sold for in 1979. Mobile homes and trailers were excluded from the value computations due to the manner in which the survey was conducted. Homes of conventional borrowers were the most valuable, with a median value of \$52,201, slightly higher than the \$51,169 median for VA borrowers (table 3). FHA and FmHA borrowers owned homes valued considerably less, with median values of \$42,203 and \$34,274, respectively. Approximately 30 percent of FmHA-financed loans were for homes valued at less than \$30,000. This is three times higher than the proportion for VA mortgages and almost double the proportion for conventional and FHA mortgages.

Number of Rooms

The mean size of homes financed with FmHA loans was 4.4 rooms, slightly smaller than those financed with other types of mortgages (table 4). VA-financed homes were the largest, with a mean of 5.3 rooms. Homes of FHA and conventional borrowers were almost identical in size with means of 4.9 and 5.1 rooms, respectively.

Number of Bedrooms and Bathrooms

Little variation was found when comparing the number of bedrooms by mortgage type. FmHA and conventionally financed homes had means of 3 bedrooms (table 5). VA and FHA homes were slightly larger with means of 3.1. The three-bedroom home was the most popular for all mortgage types. Approximately 75 percent of FmHA, and 65 percent of VA- and FHA-financed homes were of this type. The proportion of three-bedroom homes purchased with a conventional loan was slightly smaller, about 50 percent.

Table 1—Distribution of rural mortgages by type of structure, 1979

Type of structure	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Mobile home	39.7	6.6	12.9	2.3	6.7	1.3	951.6	14.9
1 - detached	548.5	91.6	539.6	95.2	505.3	98.1	5383.7	84.2
1 - attached	10.3	1.7	14.0	2.5	3.1	.6	57.9	.9
Not reported	-	-	-	-	-	-	-	-
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 2—Distribution of rural mortgages by houses' period of construction, 1979

Period of construction	Type of mortgage							
	FHA		VA		FmHA		Conventional	
Dates	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
1979	31.4	5.2	17.8	3.1	34.3	6.7	312.6	4.9
1975-1978	135.6	22.7	143.0	25.2	159.1	30.9	1467.7	23.0
1970-1974	180.2	30.1	134.1	23.7	126.3	24.5	1513.5	23.7
1960-1969	128.5	21.5	162.1	28.6	107.1	20.8	1481.6	23.2
1950-1959	52.9	8.8	54.6	9.6	25.9	5.0	563.5	8.8
1940-1949	12.0	2.0	14.8	2.6	14.0	2.7	224.7	3.5
1939 or earlier	58.0	9.7	40.3	7.1	48.4	9.4	829.8	13.0
Not reported	-	-	-	-	-	-	-	-
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Median								
	16.2		18.0		14.0		18.3	
				Years				

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 3—Distribution of rural mortgages by house value, 1979

House value	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Dollars								
Less than 10,000	4.6	0.8	2.3	0.4	6.2	1.2	104.1	1.6
10,000 - 19,999	24.7	4.1	12.6	2.2	31.0	6.0	300.2	4.7
20,000 - 29,999	77.5	13.0	39.9	7.0	118.4	23.0	499.8	7.8
30,000 - 39,999	145.2	24.3	87.8	15.5	202.8	39.4	700.3	11.0
40,000 - 49,999	102.0	17.0	120.1	21.2	92.2	17.9	928.5	14.5
50,000 - 59,999	75.0	12.5	111.4	19.7	27.7	5.4	720.5	11.3
60,000 - 69,999	47.8	8.0	69.7	12.3	18.9	3.7	634.2	9.9
70,000 - 79,999	25.6	4.3	52.8	9.3	4.7	.9	464.9	7.3
80,000 - 89,999	21.3	3.6	18.3	3.2	2.9	.6	311.9	4.9
90,000 - 99,999	8.7	1.4	21.1	3.7	-		220.3	3.4
100,000 - 124,999	13.8	2.3	15.3	2.7	2.9	.6	263.0	4.1
125,000 - 149,999	7.9	1.3	2.3	.4	-		149.4	2.3
150,000 - 199,999	4.0	.7	-		-		89.5	1.4
200,000 +	.7	.1	-		.8	.1	55.1	.9
Not reported 1/	39.7	6.6	12.9	2.3	6.7	1.3	951.6	14.9
Total 2/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
	Dollars							
Median	42,203		51,169		34,274		52,201	

1/ Mobile homes are included in not reported category.

2/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 4—Distribution of rural mortgages by number of rooms in housing unit, 1979

Rooms	Type of mortgage							
	FHA		VA		FmHA		Conventional	
Number	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
1	-		-		-		11.7	0.2
2	3.7	0.6	3.9	0.7	2.2	0.4	17.9	.3
3	6.3	1.1	2.9	.5	.8	.2	129.5	2.0
4	34.9	5.8	25.1	4.4	51.6	10.0	795.7	12.4
5	215.8	36.0	136.4	24.1	282.5	54.8	1609.6	25.2
6	160.6	26.8	194.6	34.3	110.1	21.4	1602.8	25.1
7	103.8	17.3	107.6	19.0	45.8	8.9	1059.9	16.6
8	49.8	8.3	58.1	10.3	12.3	2.4	678.7	10.6
9	17.4	2.9	23.9	4.2	5.4	1.0	307.3	4.8
10	2.3	.4	8.6	1.5	3.0	.6	110.2	1.7
11 +	4.0	.7	5.5	1.0	1.5	.3	70.2	1.1
Not reported	-		-		-		-	
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Mean	4.9		5.3		4.4		5.1	

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 5—Distribution of rural mortgages by number of bedrooms, 1979

Bedrooms	Type of mortgage									
	FHA		VA		FmHA		Conventional			
Number	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
1	10.1	1.7	9.2	1.6	3.8	0.7	128.9	2.0		
2	82.3	13.8	60.1	10.6	71.7	13.9	1434.6	22.4		
3	379.8	63.5	378.2	66.7	386.4	75.0	3534.5	55.3		
4	115.2	19.3	103.7	18.3	44.1	8.6	1131.6	17.7		
5	9.3	1.6	13.9	2.5	6.8	1.3	143.1	2.2		
6+	1.7	.3	1.6	.3	2.3	.4	20.7	.3		
Not reported	-	-	-	-	-	-	-	-		
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0		
Mean	3.1		3.1		3.0		3.0			

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Approximately 65 percent of FmHA-financed homes had one full bathroom (table 6). The percentage of FmHA homes with two or more bathrooms (14.5 percent) was much smaller than that of homes purchased with other types of mortgages. About 40 percent of conventional and FHA homes, and 45 percent of VA homes, had two or more bathrooms.

Physical Adequacy

The physical adequacy measure is an expansion of the traditional lack of plumbing measure which determines the quality of a housing unit. It includes the availability of heating, plumbing and sewage disposal systems, structural soundness, and the maintenance of the unit. Table 7 presents information on the number and percent of physical defects by mortgage type. The following definitions were used:

Plumbing: unit lacks or shares complete plumbing (hot and cold water, flush toilet, and bathtub or shower inside the structure).

Kitchen: unit lacks or shares a complete kitchen (installed sink with piped water, a range or cookstove, and a mechanical refrigerator).

Maintenance: unit has two or more of the following problems:

- (1) leaking roof,
- (2) open cracks or holes in interior walls or ceiling,
- (3) holes in the interior floor, or
- (4) broken plaster or peeling paint (over 1 square foot) on the interior walls or ceilings.

Heating: unit lacks a means of heating or is heated by an unvented room heater, fireplace, stove, or portable room heater (this definition does not apply to the South Census Region).

Sewage: absence of a public sewer, septic tank, or cesspool.

Electrical: unit has all of the following problems:

- (1) exposed wiring,
- (2) fuses or circuit breakers tripped three or more times in the last 90 days, and
- (3) unit lacks working wall outlet in one or more rooms.

Toilet access: access to sole flush toilet is through one of two or more bedrooms used for sleeping (applies only to households with children under 18).

Heating and toilet access defects were the most common problems in mortgaged rural homes. Approximately 4 percent of these units had a heating defect. This varied little by mortgage type. The percentage of units with a toilet access defect was slightly higher and ranged from 2.4 percent for FmHA homes to 6 percent for conventionally purchased homes.

Less than 1 percent of units had kitchen, sewage, or electrical defects. The incidence of plumbing defects was higher with 0.1 percent of VA owners and 1.4 percent of conventional owners reporting this defect. About 1.5 percent of units had a maintenance defect.

Table 6—Distribution of rural mortgages by number of bathrooms, 1979

Bathrooms	Type of mortgage							
	FHA		VA		FmHA		Conventional	
Number	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
1-complete/not in								
1 room	-		-		1.6	0.3	10.1	0.2
1-full	276.2	46.1	209.4	36.9	337.8	65.6	2529.2	39.6
1-1/2	87.7	14.6	100.0	17.6	96.8	18.8	1124.0	17.6
2 full	199.6	33.3	190.7	33.7	68.3	13.3	1768.3	27.7
2 +	35.1	5.9	66.0	11.6	6.0	1.2	871.0	13.6
Not reported	-		.1	-	4.7	.9	90.7	1.4
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 7—Distribution of rural mortgages by type and number of housing defects, 1979

Type and number of defects	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Type:								
Kitchen	3.1	0.5	-		2.2	0.4	49.9	0.8
Plumbing	-		0.7	0.1	4.7	.9	90.7	1.4
Toilet access	24.4	4.1	28.1	5.0	12.1	2.4	385.2	6.0
Sewage	-		-		3.0	.6	43.7	.7
Maintenance	11.1	1.9	4.1	.7	10.1	2.0	98.5	1.5
Electrical	-		-		.8	.1	2.3	-
Heating 1/	20.8	3.5	26.8	4.7	22.2	4.3	268.5	4.2
Number:								
1	57.8	9.7	48.8	8.6	39.8	7.7	684.5	10.7
2	.8	.1	5.5	1.0	3.1	.6	65.2	1.0
3	-		-		3.0	.6	28.2	.4
4	-		-		-		7.0	.1
5	-		-		-		2.3	-

1/ Does not apply in the South Census Region.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

The type of financing used to purchase the home seemed to have no relationship to the number of defects. Approximately 10 percent of mortgaged rural homes had one or more defects. Homes purchased with FmHA mortgages had the lowest percentage of defects (8.9 percent) while those purchased with conventional loans had the highest (12.2 percent). The figures for VA and FHA homes were 9.6 percent and 9.8 percent, respectively.

Water Source

Water from a public or private system is generally preferred over well water. There are two main reasons for this preference: (1) water quality can be more easily measured with a public or private system, and (2) water can be more easily treated with chemicals such as chlorine at a lower unit cost. Homes purchased with government-insured mortgages were strikingly similar. Approximately 75 percent were connected to public or private water systems while 25 percent had individual wells (table 8). The percentages for conventionally purchased homes were 55.8 and 41.3 percent, respectively.

Heating Fuel

The majority of mortgaged rural homes were heated with either natural gas or electricity. Natural gas was the most popular means of heating these homes. The percentages ranged from 39.6 percent for VA homes to 29.9 percent for FmHA homes (table 9).

About 45 percent of FmHA homes used electricity as the main heating fuel. The figures for the other mortgage types were lower: about 30 percent. One possible explanation for this disparity could be the relative newness of FmHA homes. During the sixties, the installation of electric heat was encouraged because it was viewed as a clean, efficient, and inexpensive energy source. The median age of FmHA homes in 1979 was about 14 years while the medians for the other types of mortgages were about 18 years. Thus, a larger percentage of FmHA homes were built when electric heat was increasing in popularity.

The remainder of units were heated with either oil or bottled gas. Oil was used about twice as often as bottled gas. Some variation occurred by mortgage type with the percentages for both types of fuel differing by less than 9 percent.

Mean Shelter Costs

Monthly average costs were computed for electricity, fuel oil, natural gas, insurance, real estate taxes, and mortgage payments. In almost every case, FmHA borrowers paid the least (table 10). Two previous findings can help explain why FmHA homeowners costs are so low. FmHA buyers occupy the smallest and lowest valued homes. Thus, heating costs, which in part depend on the size of the home, and insurance, real estate taxes, and the mortgage payment, which are influenced by the value of the home, should be lower for FmHA homeowners.

Electricity was the most expensive heating fuel; natural gas was the least expensive. The monthly average electricity bill for FmHA homeowners who heated with electricity was \$64. The same figure for natural gas was much lower: \$31. Costs to conventional homeowners were the highest. They spent \$72 for electricity and \$36 for natural gas. Monthly mortgage payments averaged \$132 for FmHA homeowners, the lowest for any group. VA borrowers paid the most with payments more than double the amount of FmHA payments.

Table 8—Distribution of rural mortgages by house water source, 1979

Water source	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Public/private system:	436.7	73.0	438.3	77.3	369.3	71.7	3567.4	55.8
Well	156.3	26.1	126.1	22.3	137.0	26.6	2641.6	41.3
Not reported	5.6	.9	2.2	.4	8.8	1.7	184.2	2.9
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 9—Distribution of rural mortgages by heating fuel used, 1979

Heating fuel	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
None	3.1	0.5	1.6	0.3	1.5	0.3	13.1	0.2
Natural gas	220.0	36.7	224.5	39.6	153.9	29.9	2198.3	34.4
Bottled gas	39.9	6.7	28.7	5.1	41.2	8.0	711.6	11.1
Oil/kerosene	110.7	18.5	83.4	14.7	70.1	13.6	1434.6	22.4
Electricity	215.0	35.9	213.4	37.7	234.8	45.6	1859.6	29.1
Other fuel	10.1	1.7	15.1	2.7	13.6	2.6	176.1	2.8
Not reported	-	-	-	-	-	-	-	-
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 10—Monthly mean rural shelter costs by type of mortgage insurance, 1979

Cost item	Type of mortgage				
	FHA	:	VA	FmHA	Conventional
Electricity:					
Heat with electricity	70		69	64	72
Heat with other fuel	43		43	38	42
Fuel oil: 1/					
Heated with oil	535		579	489	565
Heated with other fuel	256		157	246	221
Natural gas:					
Heated with gas	32		35	31	36
Heated with other fuel	21		30	21	19
Insurance	18		20	16	20
Real estate taxes	43		57	27	54
Mortgage payment	216		289	132	235

1/ Yearly cost.

Source: ERS tabulations of the 1979 Annual Housing Survey.

CHARACTERISTICS OF OCCUPANTS

This section presents information on the demographic and socioeconomic characteristics of rural homeowners. Data on the race, age, and education of the household's head is presented by mortgage type. Variables that deal specifically with the household such as its composition, income, sources of income, and monthly housing costs as a percentage of income are also discussed.

Race and Age

An overwhelming majority of mortgaged rural homes were owned by whites. Over 95 percent of conventional loans went to white households (table 11). The figures for VA and FHA loans were slightly lower: 92.9 percent and 88.7 percent, respectively. Approximately 15 percent of houses financed by FmHA loans were purchased by blacks, which was four times the rate for conventional mortgages.

FmHA borrowers were younger than all other mortgage holders (table 12). They had a median age of 34.8 years compared to conventional borrowers, the oldest group, whose median was 38.3 years.

Household Composition

Over 75 percent of mortgaged rural homes were occupied by families composed of a husband and wife (table 13). The percentages ranged from 76.9 percent for FmHA households to 89.6 percent for VA households.

Less than 3 percent of households were composed of a male head with no wife present; the figures varied by less than 1 percent by mortgage type. Over 10 percent of FmHA mortgages were received by female-headed households. This was more than double the rate for conventional loans and almost three times the rate for VA loans.

Single-person households like female-headed households were more likely to have purchased their homes with FmHA mortgages. Approximately 9 percent of FmHA-financed homes were occupied by single-person households. The figures for the other mortgage types varied from 3.8 percent for VA homeowners to 5.8 percent for conventional homeowners.

Education

Mean values were computed for years of education of the head of household which varied little by mortgage type (table 14). The difference in education levels was less than 1 year between the lowest group, FmHA borrowers (13.3 years), and the highest group, VA borrowers (14.2 years).

Household Income

Income is perhaps the most important factor lenders take into account when making two important decisions: whether or not the applicant qualifies for the mortgage and, if qualified, what amount of money the lenders are willing to lend. Sufficient income is necessary not only to pay off the mortgage but also to pay for insurance, property taxes, and maintenance.

Income varied greatly by mortgage type. FmHA homeowners had the lowest income of any group of borrowers (table 15). Approximately 30 percent of FmHA homeowners earned

Table 11—Distribution of rural mortgages by race of household head, 1979

Race	Type of mortgage							
	FHA	VA	FmHA	Conventional	FHA	VA	FmHA	Conventional
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
White	530.8	88.7	526.3	92.9	433.8	84.2	6090.9	95.3
Black	56.6	9.5	29.6	5.2	74.6	14.5	227.3	3.6
Other	11.1	1.9	10.8	1.9	6.7	1.3	75.1	1.2
Not reported	-	-	-	-	-	-	-	-
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 12—Distribution of rural mortgages by age of household head, 1979

Age of head	Type of mortgage									
	FHA		VA		FmHA		Conventional			
Years	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Less than 25	42.9	7.2	7.7	1.4	55.4	10.8	377.9	5.9		
25-34	198.2	33.1	205.6	36.3	206.0	40.0	2108.7	33.0		
35-44	193.4	32.3	173.7	30.7	130.5	25.3	1889.8	29.6		
45-54	99.8	16.7	126.9	22.4	56.8	11.0	1183.1	18.5		
55-64	35.7	6.0	41.0	7.2	33.7	6.5	460.0	7.2		
65+	28.6	4.8	11.7	2.1	32.8	6.4	373.8	5.8		
Not reported	-	-	-	-	-	-	-	-		
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0		
Median	37.6		38.2		34.8		38.3			

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 13—Distribution of rural mortgages by household age composition, 1979

Household composition by age	Type of mortgage							
	FHA		VA		FmHA		Conventional	
Years	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Husband and wife:								
Less than 25	38.9	6.5	6.2	1.1	46.2	9.0	304.6	4.8
25-34	176.8	29.5	178.5	31.5	164.3	31.9	1852.8	29.0
35-44	167.0	27.9	158.7	28.0	101.7	19.7	1674.4	26.2
45-64	123.9	20.7	161.3	28.5	69.5	13.5	1511.6	23.6
65+	8.5	1.4	3.1	.5	14.4	2.8	173.6	2.7
Subtotal	515.1	86.0	507.8	89.6	396.1	76.9	5517.0	86.3
Male head, no wife:								
Less than 25	-		.7	.1	-		17.3	.3
25-34	1.7	.3	3.8	.7	2.9	.6	67.9	1.1
35-44	5.5	.9	4.7	.8	5.3	1.0	44.9	.7
45-64	2.7	.4	3.1	.5	1.5	.3	31.8	.5
65+	-		-		-		3.8	.1
Subtotal	9.9	1.6	12.3	2.1	9.7	1.9	165.7	2.7
Female head, no husband:								
Less than 25	1.7	.3	-		2.8	.5	17.9	.3
25-34	12.8	2.1	12.4	2.2	20.9	4.1	90.9	1.4
35-44	19.5	3.3	5.0	.9	21.9	4.3	119.1	1.9
45-64	12.2	2.0	7.3	1.3	16.8	3.3	94.0	1.5
65+	2.4	.4	-		2.4	.5	15.6	.2
Subtotal	48.6	8.1	24.7	4.4	64.8	12.7	337.5	5.3
Single person:								
Less than 25	2.3	.4	.8	.1	6.4	1.2	38.0	.6
25-34	6.9	1.2	10.8	1.9	17.9	3.5	96.7	1.5
35-44	2.5	.4	5.4	.9	1.6	.3	55.4	.9
45-64	8.0	1.3	4.9	.9	12.8	2.5	135.4	2.1
65+	5.7	.9	-		6.0	1.2	47.3	.7
Subtotal	25.4	4.2	21.9	3.8	44.7	8.7	372.8	5.8
Not reported	-		-		-		-	
Total ^{1/}	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

^{1/} Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 14—Distribution of rural mortgages by education level of household head, 1979

Education	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
None	-	-	-	-	3.8	0.7	12.3	0.2
1-8	59.2	9.9	17.0	3.0	93.6	18.2	557.2	8.7
9-12	335.5	56.1	254.1	44.8	303.2	58.9	3305.4	51.7
College 13-16	153.7	25.7	238.8	42.1	104.6	20.3	1872.5	29.3
Post graduate 17+	50.1	8.4	56.7	10.0	9.9	1.9	645.9	10.1
Not reported	-	-	-	-	-	-	-	-
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Mean		13.6		14.2		13.3		13.7

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 15—Distribution of rural mortgages by household income, 1979

Household income	Type of mortgage							
	FHA		VA		FmHA		Conventional	
Dollars	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Less than 5,000	16.7	2.8	9.9	1.7	37.4	7.3	268.4	4.2
5,000 - 9,999	62.5	10.4	19.6	3.5	112.7	21.9	530.3	8.3
10,000 - 14,999	115.2	19.3	82.1	14.5	140.4	27.3	1039.2	16.3
15,000 - 19,999	108.3	18.1	98.9	17.5	125.4	24.4	1115.9	17.5
20,000 - 24,999	103.4	17.3	108.3	19.1	54.6	10.6	1123.6	17.6
25,000 - 29,999	100.5	16.8	81.9	14.5	20.7	4.0	846.6	13.2
30,000 - 34,999	39.7	6.6	64.2	11.3	13.3	2.6	509.5	8.0
35,000 - 39,999	12.3	2.0	42.9	7.6	3.1	.6	350.9	5.5
40,000 - 44,999	10.1	1.7	13.8	2.4	1.5	.3	195.8	3.1
45,000 - 49,999	13.2	2.2	12.3	2.2	1.6	.3	135.1	2.1
50,000 - and over	16.8	2.8	32.7	5.8	4.5	.9	278.0	4.3
Not reported	-	-	-	-	-	-	-	-
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Median	19,813		23,132		13,651		20,920	
					Dollars			

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

less than \$10,000 a year. Only 13 percent of FHA and conventional borrowers and 5 percent of VA borrowers fell into this income category. FmHA owners had the lowest median incomes and VA owners the highest. The median income spread between these groups was over \$9,000.

Sources of Income

In addition to total household income, respondents were asked whether they received any income from outside sources. A large percentage of rural owners received unearned income; that is, money from dividends, interest, and rent (table 16). Almost 50 percent of VA and conventional owners reported income from this source. The percentages for FHA and FmHA borrowers were lower: 37 and 24 percent, respectively.

About 10 percent of respondents, except for those with VA mortgages, reported pension income, money derived from veterans benefits or a government or private pension plan. The percentage of VA owners in this category was over 20 percent. This was as expected since veterans benefits were included in the pension income group.

Social security, welfare, unemployment, and workmen's compensation benefits were grouped together into the government transfer income category. About 20 percent of VA, FHA, and conventional borrowers reported income from this source. The rate for FmHA owners was 10 percent higher: about 30 percent.

Housing Costs as a Percentage of Income

Lenders generally require that no more than 25 percent of a household's income be spent on housing. Housing costs, as defined by the Annual Housing Survey, are the sum of payments for the mortgage, real estate taxes, property insurance, utilities, fuel, and trash collection.

All rural homeowners, regardless of mortgage type, spent less than 25 percent of their income on housing (table 17). FmHA owners spent the most and conventional owners the least with medians of 21.9 percent and 19.4 percent, respectively.

HOUSING AND COMMUNITY SERVICES

This section presents information on rural homeowners' opinion about their housing, neighborhood, and community services.

House and Neighborhood

Respondents were asked to rate their house and neighborhood on a scale that ranged from poor to excellent. Approximately 89 percent of FmHA owners rated their house as either good or excellent (table 18).

The percentages for the other types of mortgages were slightly higher and ranged from 91.1 percent for FHA buyers to 93.9 percent for VA buyers.

About 75 percent of FmHA owners rated their neighborhood as either good or excellent, the smallest percentage of any group (table 19). Conventional buyers liked their neighborhood the most, with 88.6 percent giving it a good or excellent rating.

Table 16—Distribution of rural mortgages by household income source, 1979

Sources of income	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Unearned income: 1/								
Yes	221.7	37.0	267.8	47.3	124.4	24.2	3083.7	48.2
No	376.9	63.0	298.9	52.7	390.7	75.8	3309.6	51.8
Total	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Government transfer income: 2/								
Yes	125.3	20.9	99.4	17.5	154.8	30.1	1315.4	20.6
No	473.2	79.1	467.2	82.5	360.3	69.9	5077.9	79.4
Total	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Pension income: 3/								
Yes	56.5	9.4	131.5	23.2	42.0	8.2	563.1	8.8
No	542.1	90.6	435.1	76.8	473.1	91.8	5830.2	91.2
Total	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Other income: 4/								
Yes	52.9	8.8	41.3	7.3	33.8	6.6	384.1	6.0
No	545.7	91.2	525.3	92.7	481.3	93.4	6009.1	94.0
Total 5/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Unearned income category includes dividends, interest, and rent.

2/ Government transfer category includes social security, welfare, unemployment, and workmen's compensation.

3/ Pension income category includes government, private, and veterans pensions.

4/ Other income category includes alimony, money from another person not a member of the household, and income other than the sources listed above.

5/ Detail may not add to total due to rounding.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 17—Distribution of rural mortgages by housing cost as a percentage of household income, 1979

Housing cost as percent of income	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Percent								
1 - 5	3.1	0.5	3.8	0.7	1.5	0.3	28.1	0.4
6 - 10	58.4	9.7	80.8	14.3	35.2	6.8	609.1	9.5
11 - 15	123.9	20.7	99.4	17.5	75.4	14.6	1316.1	20.6
16 - 20	121.3	20.3	100.8	17.8	94.1	18.3	1242.7	19.4
21 - 25	9.9	16.7	95.0	16.8	94.3	18.3	871.8	13.6
26 - 30	54.7	9.1	64.7	11.4	62.3	12.1	562.0	8.8
31 - 35	35.4	5.9	26.9	4.8	26.9	5.2	275.3	4.3
36 - 40	15.8	2.6	18.8	3.3	15.4	3.0	163.1	2.6
41 - 45	14.0	2.3	10.0	1.8	6.4	1.2	112.7	1.8
46 - 50	6.4	1.1	8.2	1.4	8.6	1.7	71.1	1.1
51 +	22.8	3.8	17.2	3.0	26.8	5.2	327.5	5.1
Not reported	43.0	7.2	41.0	7.2	68.3	13.3	813.9	12.7
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0
Median	19.8		19.9		Percent		21.9	19.4

1/ Detail may not add to total due to rounding.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 18—Distribution of rural mortgages by homeowners' rating of the house, 1979

House rating	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
House:								
Excellent	284.7	47.6	299.9	52.9	204.8	39.7	3369.3	52.7
Good	260.3	43.5	232.3	41.0	254.4	49.4	2493.5	39.0
Fair	46.1	7.7	29.1	5.1	50.7	9.8	479.2	7.5
Poor	4.5	.8	5.4	1.0	5.4	1.0	45.7	.7
Not reported	2.9	.5	-	-	-	-	5.5	.1
Total	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounding to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 19—Distribution of rural mortgages by homeowners' ratings of neighborhood, 1979

Neighborhood rating	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Neighborhood:								
Excellent	212.6	35.5	237.5	41.9	130.5	25.3	2787.3	43.6
Good	293.4	49.0	263.7	46.5	271.0	52.6	2879.2	45.0
Fair	86.6	14.5	51.0	9.0	102.3	19.9	650.8	10.2
Poor	6.0	1.0	13.7	2.4	10.6	2.1	66.6	1.0
Not reported	-		.8	.1	.8	.1	9.4	.1
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Adequacy of Services

A sense of personal security in the home and neighborhood is an important element of a person's feeling of well being. About 75 percent of mortgaged rural homeowners felt their police protection was adequate (table 20). This varied little by mortgage type.

Approximately 70 percent of the respondents felt their hospitals and medical clinics were adequate (table 21). A slightly smaller percentage of FmHA owners rated these services as adequate: 64.2 percent.

Seventy-nine percent of FHA, VA, and FmHA buyers rated their shopping facilities adequate (table 22). The rate for conventional borrowers was slightly lower: 76.7 percent.

Table 20—Distribution of rural mortgages by adequacy of police services, 1979

Adequacy of police services	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Police:								
Adequate	455.5	76.1	439.2	77.5	375.2	72.8	4838.7	75.7
Inadequate	86.6	14.5	73.9	13.0	84.2	16.3	913.0	14.3
Not reported	56.5	9.4	53.5	9.4	55.7	10.8	641.6	10.0
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 21—Distribution of rural mortgages by adequacy of health services, 1979

Adequacy of hospital/ clinic services	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Hospitals/clinics:								
Adequate	435.8	72.8	399.3	70.5	330.8	64.2	4555.0	71.2
Inadequate	150.3	25.1	152.5	26.9	179.7	34.9	172.8	26.6
Not reported	12.5	2.1	14.8	2.6	4.7	.9	135.5	2.1
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

Source: ERS tabulations of the 1979 Annual Housing Survey.

Table 22—Distribution of rural mortgages by adequacy of shopping, 1979

Adequacy of shopping services	Type of mortgage							
	FHA		VA		FmHA		Conventional	
	Thousands	Percent	Thousands	Percent	Thousands	Percent	Thousands	Percent
Shopping:								
Adequate	475.0	79.4	447.4	79.0	407.2	79.0	4901.5	76.7
Inadequate	123.5	20.6	118.5	20.9	108.0	21.0	1470.8	23.0
Not reported	-		.8	.1	-		21.0	.3
Total 1/	598.6	100.0	566.6	100.0	515.2	100.0	6393.3	100.0

1/ Detail may not add to total due to rounding.

- = Rounds to 0.

Source: ERS tabulations of the 1979 Annual Housing Survey.

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